

Staff Summary Report



Council Meeting Date: 5/20/10

Agenda Item Number: _____

SUBJECT: Request approval of a resolution authorizing the issuance and sale of not to exceed \$45,165,000 principal amount of City of Tempe General Obligation Bonds, Series 2010 in one or more series; providing for the annual levy of a tax for the payment of the bonds; approving related actions and documents; and rescission of Resolution No. 2010.37.

DOCUMENT NAME: (20100520fsjh01) **BOND SERVICE ADMINISTRATION (0203-01)** Resolution No. 2010.64

SUPPORTING DOCS: Yes

COMMENTS: The issuance of the not to exceed \$45,165,000 in general obligation bonds is in accordance with the capital improvement program budget as adopted by the City Council. The bonds provide financing for a variety of projects including continuing expansion and/or improvement of the 91st Ave Wastewater Treatment Plant, South Tempe Water Treatment Plant and the Johnny G. Martinez Water Treatment Plant, and other improvements. Financing is also provided for the interoperable radio system; police/courts building renovation; library renovation; street and various park improvements.

PREPARED BY: Jerry Hart, Financial Services Manager (8505)

REVIEWED BY: N/A

LEGAL REVIEW BY: N/A

FISCAL NOTE: The debt service on these bonds will be paid out of the Water/Wastewater and General Obligation Debt Service funds.

RECOMMENDATION: Staff recommends approval of Resolution No. 2010.64.

ADDITIONAL INFO: Pursuant to Resolution No. 2010.37 adopted on April 22, 2010, the Council ordered the Series 2010 Bonds to be sold competitively. Effective May 3, 2010, state statutes authorize municipalities to sell the general obligation bonds by negotiated sale. After consultations with our investment bankers and considering current market conditions, we have determined that a negotiated sale would result in financing cost savings. RBC Capital Markets will market and sell the bonds to achieve the lowest possible borrowing cost the terms of which will be contained in a bond purchase agreement in the form on file with the City Clerk. This change in method of sale necessitates the rescinding of Resolution 2010.37.